

Septic System Grant and Revolving Loan Eligibility Policies

The goal of the revolving loan programs is to provide assistance to owners of septic systems that are failing.

Revolving loans of up to \$25,000 may be given to property owners who meet up to 400% of the Federal poverty level (see reverse side). The revolving loan is for a term of up to 20 years at an interest rate of 3%.

System Eligibility

If there is a severe need for septic system repair or replacement determined, a property owner may be eligible for a revolving loan.

For properties that are supported by a shared system such as Condominium Associations, individual unit owners may apply for a revolving loan. Condominium owners need to have individual, pro-rated costs, established for their portion of the replacement costs by the Association. Condominium owners need to provide a copy of their Association Documents with language providing for maintenance of the wastewater disposal system. Sample language is available from the Town.

Once this initial qualification is determined, there will be a second qualification based on financial need.

Financial Eligibility

All applicants must supply proof of income to determine income level. For property owners making more than 200% of the Federal poverty guidelines (see reverse side) applicants may be considered based upon evidence that conventional loan products are not available to fix severe septic need. For applicants making more than 200% of the Federal poverty level, loan terms will generally be for less than 20 years and may be less than the full amount required for the septic system project.

Application Requirements

All applicants for a revolving loan must provide the following additional information:

- 3 years tax returns
- credit report
- narrative of why loan is being requested
- detailed estimate of amount of money required to complete the septic project (i.e. cost of installation, engineering, etc.)
- most recent pay stub
- current inspection report of existing system (when borrowing for maintenance/repairs)
- when property owners make more than 200% (see reverse side) of the Federal poverty level, a denial letter from a lender shall be provided providing that a conventional loan can not be obtained for the required work.

FEDERAL POVERTY GUIDELINES							
Persons in Family	2009 Poverty Guideline	125% of Poverty Level	150% of Poverty Level	200% of Poverty Level	250% of Poverty Level	300% of Poverty Level	400% of Poverty Level
1	\$10,830	\$13,538	\$16,245	\$21,660	\$27,075	\$32,490	\$43,320
2	\$14,570	\$18,213	\$21,855	\$29,140	\$36,425	\$43,710	\$58,280
3	\$18,310	\$22,888	\$27,465	\$36,620	\$45,775	\$54,930	\$73,240
4	\$22,050	\$27,563	\$33,075	\$44,100	\$55,125	\$66,150	\$88,200
5	\$25,790	\$32,238	\$38,685	\$51,580	\$64,475	\$77,370	\$103,160
6	\$29,530	\$36,913	\$44,295	\$59,060	\$73,825	\$88,590	\$118,120
7	\$33,270	\$41,588	\$49,905	\$66,540	\$83,175	\$99,810	\$133,080
8	\$37,010	\$46,263	\$55,515	\$74,020	\$92,525	\$111,030	\$148,040
Add \$ for each additional person over 8	\$3,740	\$4,675	\$5,610	\$7,480	\$9,350	\$11,220	\$14,960